RECENT IMPORTANT DECISIONS.

BANKS AND BANKING—AUTHORITY OF CASHIER—WHEN KNOWLEDGE OF CASHIER IS NOT IMPUTED TO BANK.—Plaintiff's cashier induced defendant to sign a note, gratuitously, and deliver it to the bank, to be substituted for notes of the cashier, explaining to the defendant that it would not look well to the bank examiner for the bank to have its cashier's paper, and promising defendant that he would never be called upon to pay the note. A statute makes it a penal offense knowingly to make false entries in the books of a bank or knowingly to subscribe or exhibit false papers with intent to deceive the State bank examiner. *Held*, first, that the cashier had no authority to make defendant the promise he did; and, second, that defendant was charged with knowledge that the cashier's purpose was to violate the statute, but that the bank was not charged with the cashier's knowledge that defendant received nothing for the note. *State Bank of Moore* v. *Forsyth* (1910), — Mont. —, 108 Pac. 914.

The promise of the cashier that defendant would never be called upon to pay the note was altogether inoperative and void as an undertaking of the bank, and defendant acted upon it at his peril. 1 MORSE, BANKS & BANKING, Ed. 4, § 167; *Davis* v. *Randall*, 115 Mass. 547; *First Nat. Bank* v. *Tisdale*, 84 N. Y. 655. "A cashier is especially forbidden from releasing a debtor," 1 BOLLES, MOD. LAW OF BANKING, 361; *Hodge* v. *Bank*, 22 Grat. 51; *Sav. Assn.* v. *Sailor*, 63 Mo. 24; *Bank of U. S.* v. *Dunn*, 6 Pet. 51. Defendant was charged with notice of the statute—Rev. Codes, 4001—that the cashier was violating. Defendant could not, in connivance with the cashier, give the bank semblance of solidity and security, and then, when sued upon the note, escape the consequences of his fraudulent act. *Pauly* v. *O'Brien*, 69 Fed. 460. But the cashier's knowledge that defendant received nothing for the note could not be imputed to the bank. The ordinary rule of imputation of an agent's knowledge to his principal does not apply when the agent is acting adversely to his principal. *Bank of Ionia* v. *Montgomery*, 126 Mich. 327, 85 N. W. 879; *Graham* v. *Bank*, 59 N. J. L. 225, 35 Atl. 1053; *Fort Dearborn Bank* v. *Seymour*, 71 Minn. 81, 73 N. W. 724; *Dooley* v. *Hadden*, 179 U. S. 646, 45 L. Ed. 357. Nor if the conduct of the agent raises a clear presumption that he would not communicate the fact in controversy, as when to do so would necessarily prevent the consummation of a fraudulent scheme the agent was engaged in perpetrating. *Findley* v. *Cowles*, 93 Iowa 389, 61 N. W. 998; *Innerarity* v. *Bank*, 139 Mass. 332, 1 N. E. 282, 52 Am. Rep. 710; *Camden, etc.* v. *Lord*, 67 N. J. Eq. 489, 58 Atl. 607.

BILLS AND NOTES—TITLE TO PERSONALTY RETAINED AS COLLATERAL SECURITY—RIGHT OF TRANSFEREE.—A company sold goods under a contract, retaining title until payment of the price. Purchase money notes were given and, subsequently, were transferred to a purchaser for value, without transfer of the contract. The transferee was ignorant of the existence of the